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November 3, 1975

QUESTIONS AND ANSWERS

ON THE \$2 BILL

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1. Q: Why is the \$2 bill being reissued?

A: As identified in the Harvard School of Business study on the feasibility of a \$2 note, there is an apparent opportunity for the productive use in commerce of a currency denomination mid-range between the existing \$1 and \$5 notes. The Bureau of Engraving and Printing was prompted to make its original proposal for the reintroduction of the \$2 note in 1969 by its recognition of the disproportionate frequency distribution of denominations produced. The \$1 bill represents approximately 60% of the total number of currency pieces produced annually. In addition to providing a mid-range denomination between the \$1 and \$5 notes to reduce this distribution skew, the opportunity for substantial savings was identified through the reduction in the total number of currency notes required. Other nations utilizing the decimal system, such as Canada and Australia, have successfully utilized the \$2 denomination. The Harvard study supported the selection of the \$2 denomination as appropriate, based on public preference for this denomination.

2. Q: Whose signatures will appear on the new bill?

A: As required by law, the signatures on the \$2 bill will be those of the Secretary of the Treasury, William E. Simon, and Treasurer of the United States, Francine I. Neff.

3. Q: What will be the series date of the new bill?

A: The series date will be 1976.

4. Q: Will the new \$2 bill be a Federal Reserve note or a U.S. Note?

A: As with other currency issued today, the new bill will be a Federal Reserve Note. The only current exception to this policy is the \$100 bill, which is issued as a U.S. Note to meet statutory requirements.

5. Q: What is the difference between the Federal Reserve Note, the U.S. Note and the Silver Certificate?

A: The basic differences in these notes lie in the Congressional authorizations and the original obligations of the U.S. to holders of the currency. Legal tender or United States Notes were issued as oversized notes on March 10, 1862. The familiar size U.S. Notes are printed today only in \$100 denomination. Silver certificates, authorized by Congressional Acts of February 28, 1878 and August 4, 1886, were redeemable in silver and were last issued in 1957. Federal Reserve Notes were authorized by the Federal Reserve Act of December 23, 1913.

6. Q: Is the \$2 bill intended to become a permanent addition to our currency?

A: The \$2 note will be a permanent, useful part of American currency and will be printed in sufficient volume to assure its availability.

7. Q: When and where will the new bill be available?

A: The new note will be available at commercial banks nationwide on April 13, 1976.

8. Q: Who will be issuing the \$2 bill?

A: As with all currency, the \$2 bill will be issued by the Federal Reserve System which will supply individual banks throughout the country with sufficient numbers of the new bill to meet public demand.

9. Q: Will there be a limit on the number of new bills a person can buy from a bank?

A: There will be no limit on the sale of \$2 bills.

10. Q: Who designed the new bill?

A: The Treasury's Bureau of Engraving and Printing designed the new \$2 note.

11. Q: What considerations were involved in the design of the back of the new note?

A: Several designs of the \$2 bill back were prepared utilizing renditions of the original painting. Optimum security design considerations include the opportunity for sufficient geometric lathe engraving in borders and the aesthetic presence of unprinted areas for visibility of distinctive fibers. In addition, aesthetic considerations include the preference for "fade-out" treatment of subject matter in lieu of frame vignettes. In order to include these desired features and to maintain adequate subject size of the vignette within the limitations of the existing banknote dimensions, it was necessary to "crop" the vignette rendition of the painting.

12. Q: Who painted the original of the Jefferson engraving?

A: The Jefferson engraving is based on a portrait painted in the early 1800's by Gilbert Stuart.

13. Q: Why was not a portrait of a minority member or a woman chosen for the face of the new bill?

A: In response to the preponderance of recommendations that a new \$2 currency note should have a Bicentennial theme, it was determined that the Signing of the Declaration of Independence epitomized the birth of our Nation and was therefore the most appropriate vignette for the back design. Thomas Jefferson is universally recognized as the author of the Declaration of Independence and, accordingly, the use of his portrait on the face design was judged most suitable in the relationship with the back vignette. The fact that the Jefferson portrait had been used on the earlier \$2 U.S. Note contributes to the desirable familiar association by the public of a currency portrait and denomination.

Other possible subjects for the face portrait were considered, including Martin Luther King and Susan B. Anthony. None of the alternative choices are as appropriately and consistently associated with the Bicentennial theme as is Thomas Jefferson.

Q: Who painted the original of the painting which is represented on the back of the new bill?

A: The engraved vignette on the back of the \$2 note is based on a painting of the Signing of the Declaration of Independence by John Trumbull. The original work was done by Trumbull during the post-Revolutionary War period; he later was commissioned to reproduce the painting in the Capitol Rotunda in Washington, D.C. The only perceptible difference between the painting and the mural is that in the painting the foreground figures appear to be seated on a wooden platform, while in the mural the platform appears to be covered by a rug. The original painting is now in the Trumbull Gallery, Yale University.

Q: Why will the \$2 bill be accepted by the public now when it was not accepted before?

A: The Harvard Business School study, which included a nationwide Harris poll, clearly indicated that the public would be receptive to the new \$2 bill. Previous lack of acceptance was primarily due to the relatively small number of bills available.

Q: What will prevent people from confusing the \$2 bill with other bills?

A: The size of all U.S. currency notes is the same and provides additional counterfeit deterrence in requiring the user to inspect the security printing to determine denomination. Each denomination, however, is repeatedly identified on the note in numerical and lettered description as well as by the familiar association of face portraits and back vignettes. Accurate identification of the denomination of any U.S. currency note, therefore, requires only that the user inspect each note visually. Just as current denominations are not confused with one another, there is no anticipated confusion associated with the \$2 bill.

17. Q: Is the \$2 bill being issued to commemorate the Bicentennial?

A: The \$2 note is being issued in conjunction with the Bicentennial; it will, however, be issued in the years subsequent to the Bicentennial and thus will be an important part of our permanent currency system and not simply a Bicentennial commemorative.

18. Q: How much money will be saved by issuing the \$2 bill?

A: The results of a projection of currency costs with and without the \$2 bill for an extended future period show that total savings to the Federal Reserve System as a result of the introduction of the \$2 bill will amount to approximately \$34 million over the next five years (FY 1976 - FY 1981). Expressed in terms of 1976 dollars, the savings would be approximately \$27 million.

19. Q: How many two-dollar bills will be printed by April 13?

A: More than 225,000,000 two-dollar bills will be printed by April 13, 1976.

20. Q: How many \$2 bills are being printed?

A: 225 million \$2 notes will be available for issue by Thomas Jefferson's birthday (April 13, 1976) with a current annual order of 400 million available before July 4, 1976.

21. Q: How many new bills will be printed each day?

A: During initial production, 11 million \$2 bills will be printed per day.

22. Q: How long will it take to print the first \$2 bill?

A: The total preparation time for any new denomination takes seventeen weeks. Printing of a note involves one day each for the face, back and overprinting.

23. Q: Did the Bureau of Engraving and Printing have to install new equipment to print the new bill?

A: No new equipment is required to print the new note.

24. Q: What kind of press machine will be used in printing the \$2 bill?

A: Four plate mono-colored intaglio.

25. Q: Why was the \$2 bill discontinued in 1966?

A: The bill which was discontinued in 1966 was the \$2 United States Note, part of the limited currency required by statute to be issued by the Treasury Department (now satisfied in full by the issuance of \$100 United States Notes). In 1966, approximately 6 million \$2 U.S. Notes were produced annually; the total currency requirements at this time approximated 2-1/2 billion notes per year. Consequently, the bill was a statistical rarity which precluded reasonable opportunity for familiarity or circulation by the public.

26. Q: How many old \$2 bills are still outstanding?

A: There are approximately \$135,288,000 of \$2 bills outstanding from all previous issues.

27. Q: Are any old \$2 bills being held by banks?

A: No \$2 bills are currently being held by any banks.

28. Q: When were the \$500, \$1000 and \$10,000 bills discontinued and why were they stopped?

A: The \$500, \$1000 and \$10,000 bills were discontinued with the 1934 series. They were held mainly by banks and clearing houses for inter-bank transactions. Though generally available to the public, they were not in demand, as most purchases of this size are accomplished by check or credit card.

29. Q: What was on the back of the old \$2 bill?

A: The 1963 A series bearing Jefferson on the face and the signatures of U.S. Treasurer, Kathryn Granahan and Secretary of Treasury Henry Fowler, had a view of Monticello and the motto "In God We Trust" on the back.

30. Q: Which bills are currently being printed in the U.S., and what portraits appear on them?

A: Denomi-
nation _ Face _ _ _ _ _ Back _ _ _ _ _

\$1	George Washington	Great Seal of the U.S.
\$5	Abraham Lincoln	Lincoln Memorial
\$10	Alexander Hamilton	U.S. Treasury
\$20	Andrew Jackson	White House
\$50	Ulysses S. Grant	U.S. Capitol
\$100	Benjamin Franklin	Independence Hall

31. Q: What is the life-span of a \$1 bill?

A: The average life for the \$1 and \$5 bills is 18 months and three years, respectively. Old bills are returned for destruction by incineration or marceration (pulping).

32. Q: How many old bills are taken out of circulation each day?

A: Except for a modest annual growth in currency needs of approximately five percent, the Bureau of Engraving and Printing considers its average daily production of between 11-12 million pieces of currency to be for replacement.

33. Q: What is the \$2 bill currently worth as a collector's item?

A: The Treasury Department does not set a collector's value for any currency or coin. The numismatic value of the \$2 bill is determined by the collectors' current marketplace price. The reissuance of the \$2 bill is not expected to affect the value of any notes now held by collectors.

34. Q: Is there any plan for a "collector's" or special numismatic issue?

A: The numerous complexities involved in manufacturing, packaging and adjustment of issuing procedures within the time frame available preclude any practical consideration of such a "special" issuance. There is every reason to believe that the interests of serious numismatists will be well-served by the long-standing collecting practices relating to the standard issues of currency.

35. Q: What kind of impact will the new bill have on our economy?

A: There will be a positive impact on the U.S. economy since every American, by demanding and using the \$2 note, can participate in lowering government costs.

36. Q: Are prices expected to rise in conjunction with the \$2 bill. For example, will \$1.85 items now cost \$2.00?

A: Commercial pricing is not generally predicated on the availability of a new currency. The \$2 bill does not alter the consumers' capacity to purchase but it will increase efficiency as twos are gradually substituted for ones.

37. Q: Will the issuance of the new bill have an effect on coinage circulation?

A: Since the \$2 note will gradually be substituted for \$1 notes there is no anticipated effect on current coinage circulation.

38. Q: How much will it cost retailers to accommodate the \$2 bill to their cash registers?

A: There are no net incremental costs to retailers in this case, as the adjustments are minor and will result overall in less currency handled. Major business machine manufacturers indicate that the Canadians, who also have a \$2 bill, utilize cash registers identical to those used in the U.S. with no difficulty.

39. Q: How will banks benefit from the use of the new bill?

A: By using the \$2 bill, banks will be allowed to handle fewer pieces of currency and will subsequently have lower costs.

40. Q: What steps are being taken to prevent counterfeiting of the \$2 bill?

A: The new note contains the same high degree of engraving excellence and security features that are present in all other currency series. It is, therefore, no more or no less susceptible to counterfeiting than any other current note.

41. Q: Have any members of Congress received a \$2 bill?

A: No members of Congress have received an advance issue of the new bill.

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